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FIFTH COUNTRY PROGRAMME FOR NEPAL

Administrator's note

I. PREPARATORY PROCESS

1. In view of the dramatic political and constitutional changes which have occurred in Nepal in the last two years, the fourth country programme was extended by one year. In the formulation of the fifth country programme, the United Nations Development Programme (UNDP) has consulted extensively with the new Government on the basis of the advisory note submitted by the UNDP Resident Representative. United Nations system agencies participated in the preparatory process and a number of them - the Food and Agriculture Organization of the United Nations (FAO), the International Civil Aviation Organization (ICAO), the International Labour Organisation (ILO), the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and the United Nations Industrial Development Organization (UNIDO) - mounted special missions to the country to identify appropriate technical assistance programmes in accordance with the Government's priorities. In addition, the country programming exercises of the United Nations Population Fund (UNFPA) and the United Nations Children's Fund (UNICEF) provided valuable inputs for the UNDP country programme. A study by UNDP and the World Bank entitled, "Nepal: Relieving poverty in a resource-scarce economy" contributed in an important way to the content. The mid-term review of the fourth country programme raised a number of issues which are vital to efficient programme implementation and these have been addressed in the new country programme. An important feature of the Nepal country programme is the continuing effort made to integrate and coordinate UNDP assistance with the capital and technical assistance programmes of multilateral development finance agencies and bilateral donors, as illustrated in the programme document.

2. UNDP resources available under the indicative planning figure (IPF) for the fifth country programme have been established at $77.8 million out of which $4.9 million should be deducted as an over-commitment of the fourth

country programme. Of the $72.9 million actually available for the fifth programme, the spill-over of the fourth programme projects into the fifth will require $14.1 million, leaving a balance of $58.8 million for new programmes and projects. It is expected that the fifth programme will stimulate multi/bilateral arrangements related to the areas of concentration selected by the Government for UNDP cooperation.

II. ANALYTICAL COMMENTARY

3. The Government has spelt out the broad national objectives to be achieved under the eight five-year plan. Poverty alleviation is the central objective of all development efforts - an appropriate objective for a country with a per capita income of $170 and where over 50 per cent of the population live in absolute poverty. The strategy for poverty alleviation centres on improving the access of the poor to basic services such as health, drinking water and education, and thus encompasses the goals of human development. Another aspect of the emphasis on poverty alleviation is the important role assigned to the small-scale agricultural and industrial sectors for income and employment generation. The private sector is expected to play a key role in agricultural and industrial production and in external trade, while the Government concentrates on the social infrastructure. The role of non-governmental organizations (NGOs) is also considered as vital to poverty alleviation, and they are expected to be major contributors to the development effort. Nepal's environment is another major concern. Due to poverty, overpopulation and migration, the country's environment is fast deteriorating. At the same time, rapidly growing urbanization and increasing industrialization are causing growing pollution. It is, therefore, a major Government objective to arrest these trends.

4. UNDP's fifth country programme has been formulated to assist the Government in implementing its ambitious development programmes in support of these major objectives. The Government's strategy for the use of UNDP's technical assistance is predicated on four principles. First, the comparative advantage UNDP has in selected sectors such as development administration, agriculture, forestry, irrigation and the environment is to be exploited in determining the niches towards which UNDP assistance is to be targeted. Second, UNDP's major concern with human development issues is recognized and its assistance channelled to directly related social and economic activities. Third, UNDP assistance is utilized to deal with productivity, distributional and capacity-building issues which are central to poverty alleviation strategies. The importance of complementary technical assistance to obtain the maximum impact on social and economic welfare from capital investment programmes is also recognized. Fourth, in recognition of UNDP's neutrality, a distinctive role is assigned to UNDP's technical assistance programmes in such sensitive policy areas as aid management, national resources planning and financial and budgetary management.

5. Within the framework of these governing principles, UNDP and the Government have agreed on focusing the fifth country programme activities on

two areas of concentration: human development and poverty alleviation; and environmental conservation. Within these two areas of concentration, technical assistance activities are clustered into the following five integrated programmes: development policy and management; strengthening productive sectors for income and employment generation; access to basic services for the poor; natural resources protection and management; and urban development and industrial pollution control. A common strand runs through these programmes in that they are all focused on poverty eradication and human development.

6. Greater efficiency in development administration - a major area for UNDP attention - is a prerequisite for effectively targeting Nepal's own limited resources, as well as the significant amounts of development assistance Nepal is now receiving on poverty issues. UNDP technical assistance is directly addressed to dealing with these issues. Moreover, while Nepal has implemented structural adjustment programmes, it is vital that continuing support is extended to the process of stimulating further structural changes to obtain even greater efficiency from economic and social investments.

7. The programme to strengthen the productive sectors of the economy concentrates its activities on the small farming and small and medium-scale agricultural and forest-based industries in order to create employment and generate incomes, especially in the rural areas. These sectors are handicapped by obstacles which prevent easy access to inputs such as credit, fertilizers, raw materials, training, techniques and technology. It is these dysfunctions that technical assistance aims to overcome, while at the same time providing the poor with greater resources to meet their needs.

8. Life expectancy in Nepal is only 53 years, and population growth rates are estimated between 2.1 and 2.4 per cent. The programme to improve access of the poor to basic services is aimed at improving the human condition by providing better access to primary health care, basic education, safe drinking water supply, and vocational training for gainful employment. This programme has also incorporated an important concern of the global community in preventing the spread of human immune deficiency virus/acquired immunodeficiency syndrome (HIV/AIDS). Though Nepal is not immediately threatened, potential dangers demand early preventive action.

9. The fragile environment of the Himalayan foothills is gravely at risk, and poverty is a major cause. The programme on natural resources protection and management is aimed at stimulating an integrated approach to forestry, watershed, soils and national parks management within the framework of the overall environmental strategies the Government has already developed. UNDP is building upon its previous extensive efforts in these areas in close collaboration with many other donors. The condition of the urban environment in Nepal, especially in the Kathmandu valley, has declined in recent years and needs urgent attention. The programme on urban development and control of industrial pollution will contribute to the improvement of urban environmental conditions.

10. These five programmes directly reflect and encompass UNDP's global thematic concerns - poverty alleviation, women in development, transfer of technology, and the environment. In implementing these programmes, another global concern of UNDP - stimulating technical cooperation among developing countries (TCDC) activities - will also be taken account of fully, since developing countries in the region have capacities and experiences which can also be productively utilized in Nepal's development efforts.

11. The country programme document has recognized the importance of performance indicators when designing and implementing technical assistance programmes. Programmes must develop measurable indicators and criteria to judge the efficiency of technical assistance interventions. While the fifth country programme has addressed this issue, UNDP will work to improve and refine these performance indicators to provide for enhanced measurability.

III. MANAGEMENT OF PROGRAMME IMPLEMENTATION

12. Nepal is shifting to a programme approach to its development which technical cooperation will be required to follow progressively. The transition to this approach will be made as rapidly as possible. The Government is already committed to the modality of national execution, and its use will be steadily expanded for new programmes and projects as national capacity is increased and greater experience is gained. The country programme also envisages close collaboration with United Nations system agencies and non-United Nations system agencies in implementation, as well as with the private sector and NGOs. This should enable the Government to draw from a wide pool of national and international expertise, and management of national programmes will be geared to facilitate this approach. The Government is also clearly committed to link up country-level programmes with the regional programmes of UNDP. It is vital that implementation is monitored closely and annual and mid-term reviews are undertaken.

13. UNDP's major role as one of the co-convenors of, and a central resource in, donor coordination, will be an important asset in implementation of the selected national programmes.

14. The UNDP modality of the United Nations International Short-term Advisory Resources (UNISTAR), as well as funds under the aegis of the Administrator, will be integrated into the country programme to the greatest extent possible. United Nations Volunteers (UNV) specialists, particularly Domestic Development Service (DDS) field workers, will be utilized as much as possible, because of the special nature of their services and their cost-effectiveness. UNDP, the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA) have striven to ensure that their efforts are harmonized, both in time and, to the greatest possible extent, in substance, so as to maximize the impact of United Nations assistance.

IV. RECOMMENDATION

15. Technical assistance interventions in the fifth country programme for Nepal are appropriately integrated with national development objectives. They are focused on poverty alleviation and human development. Fragmentation and compartmentalization have been avoided through the adoption of a programme approach with interventions targeted on high-priority tasks. Collaboration with other donor activities and with capital investments is envisaged. UNDP's global thematic concerns are fully addressed. The Administrator endorses and recommends the approval of the country programme.